

*at*

DM-452

## DEPUTIES' MEETING

Friday, 9 December 1955

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 PRESENT: Mr. Dulles, General Cabell, Messrs. Wisner,  
 [redacted] Mr. Kirkpatrick  
 Col. White, Messrs. [redacted] Sheldon, Amory, [redacted]

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Mr. Dulles:

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 a. Reported on yesterday's NSC Meeting. Stated that he briefed on the [redacted] situations and there was also a short, impromptu briefing on [redacted]. Stated that at some time in the near future, he would like to make a full briefing to the NSC on US aid to [redacted] of other nations in combatting Communism. Mr. Wisner remarked that the Bureau of the Budget is pressing for a consolidation of these [redacted] matters and the DCI suggested that the best solution would be to get together with Gordon Gray and Mr. Hollister to work out this problem. The Secretary of State reported on the MacMillan letter on removal of Chinese trade controls. Admiral Radford had made the statement that [redacted] were responsible for 50 per cent of the trade with China and the DCI challenged this data. Mr. Dulles asked if we could have an estimate on the China trade. Mr. Amory stated that he felt last June's estimate was probably as up to date as anything they would have available and he would review this estimate to determine its currency.

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b. Discussed cable IN 38761 from Dr. Chadwell and stated that Dr. Furness would succeed Secretary Quarles and that the Director would like to have Dr. Furness for luncheon.

c. Discussed cable IN 38961 from [redacted] and asked that we get this information to the State Department. Mr. [redacted] said he was preparing the report giving the source as "an informed American observer" and informing State that we take his suggestions quite seriously [redacted]

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d. Discussed the budget situation stating that the current attitude of Mr. Hughes was that our next year's budget would have [redacted]. Our operating budget is [redacted] and the remainder will go into the reserve. Some optimism was expressed regarding getting a deficiency bill through this year in order to build the reserve to [redacted] which is still only one-half its normal amount. The Director said he was thinking in terms

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of a memorandum to The President on this and said that we might possibly cut our regular program to [redacted] thus insuring [redacted] to the reserve. Mr. Kirkpatrick stated that he felt the Director should be on record as opposing the "logic" of a reduction of the intelligence budget at a time of intensification of the cold war. The Director agreed.

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e. Noted cable IN 38950 regarding a possible CAT contract with [redacted] Mr. Wisner stated that they had been cabled to go ahead.

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f. Asked Mr. [redacted] to see him with [redacted] and Jim Angleton before [redacted] leaves for [redacted] today.

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g. Stated he had read [redacted] report on the [redacted] 25X1 and recommended that this be circulated amongst the staff officers concerned. Mr. Wisner said that General Cabell was going to bring this up at Senior Staff Meeting. The Director concurred.

h. DCI said that he had agreed at NSC Meeting to the advisability of briefing the Vice President on Mr. [redacted] project.

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General Cabell:

a. Discussed the USCIB Meeting to which he was going immediately following this meeting and stated there was some difference of opinion on three points:

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(1) He felt it desirable that there be a joint [redacted] discussion on a uniform policy on dealing with the [redacted] 25X1 organization on COMINT material. The Director agreed.

(2) Said the Defense Department has raised the question of whether or not ELINT should be discussed in this meeting and our position is to mention it but then to confine the discussions only to COMINT matters and those ELINT matters which have a COMINT connotation. The Director agreed.

(3) Discussed Defense's request that military commanders in Europe be given special subordinate authority to pass COMINT counterintelligence to the [redacted] and stated 25X1 that our position was that we were willing to have the commanders have the same latitude to handle CI/COMINT as they have in regular COMINT. The Director said he felt the best position would be that we did not feel any [redacted] office was competent to receive this material at this time and we would prefer to postpone it until we have a secure and beneficial channel.

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b. Stated that General Erskine had had the Joint Chiefs of Staff contact our [redacted] regarding the strategic implication of our [redacted] airplane program. General Cabell proposed to have [redacted] go directly to General Erskine and offer to brief him on anything he needs to know.

Mr. Wisner:

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a. Said he was increasingly disturbed about the [redacted] 25X1 situation and felt we should round this matter up. Mr. Amory agreed to do this. Mr. Wisner pointed out that he felt that we should get on the record our warning of impending events.

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b. Reported that the Defense Department would probably be making a new pitch to State regarding the strict personnel ceiling in [redacted]. The Director said he would like to reinforce Defense's position in this matter. He said he had supported Gordon Gray in this discussion at OCB. Action: DDP.

Mr. Amory:

a. Disseminated a report by [redacted] on themes that have been 25X1 played since Geneva.

b. Asked the Director if a decision had been reached on scientific attaches. The Director said that he had it on his desk.

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c. Stated that he had looked into the [redacted] matter 25X1 and that [redacted] was out of the picture as potential economic adviser to [redacted]

Col. White:

Stated that General Counsel had looked into the conflict of interests matter in regard to our consultants and the gist of the report which he passed to the DCI was that the present Executive Order does not apply to CIA.

Mr. Kirkpatrick:

- a. Briefly discussed the [redacted] cases. 25X1
- b. Reported on a contact with [redacted] 25X1
- c. Stated that the manpower survey was coming along very well and a draft would soon be in the Director's hands. He said it appeared that this survey was going to be most useful to the Director.

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